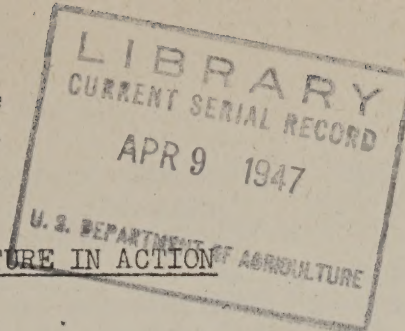


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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

April 2, 1947



cop 2

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester

Director, Northeast Region

HOW BIG IS THE
FARM BUSINESS

The top one-third of the nation's 5.8 million farms produce 80 percent of the production. The bottom third produce only 4 percent of the total value.

These figures have been compiled by the Bureau of Agricultural Economics on the basis of 1944 census data just made available. BAE says that American farmers have the largest private business in the world, producing a wide variety of commodities worth 25 billion dollars in 1946.

Other figures disclose:

- The top tenth of the farms produce about one-half the total output in dollar value.
- The Corn Belt has nearly one-half the farms whose average annual production totals \$10,000 or more.
- In 1944, a farm had to produce at least \$4,000 in products to get a net income between \$2,000 and \$3,000. From this net, farmers have to meet land and building costs as well as interest on debts.
- Two-thirds of our farms in 1944 averaged only about \$900 in gross value of output.

The biggest concentration of low-income farms was in the Appalachian Highlands, the Ozarks, the cut-over areas of the Great Lakes States, in the Southeastern Cotton Belt, and in New Mexico and Arizona.

For the country as a whole, only about one-fifth of the farms in 1944 had products worth more than \$4,000. In the Corn Belt and the West, this proportion was about one-third; in New England, about one-fourth; in the South, only 7 percent.

DAIRY INCOME EXPECTED
TO DROP IN 1947

Dairy farmers probably will receive less cash from dairy products in 1947 than in record-breaking 1946, but the income will still be higher than for any year

before 1946. The Bureau of Agricultural Economics, in making this forecast, says that people are spending less for dairy products as other consumer goods scarce during the war come on the market.

Biggest declines in demand are expected to be for fluid milk, whole milk powder, and foreign-type cheese produced in this country. Dairy exports in 1947 will fall below 1946 exports.

WHERE THE "2½ ACRES PER PERSON" CAME FROM Recently distributed to States and counties was an information booklet entitled, "Information Tips for County Offices." In this booklet and possibly in some other informational material has appeared the figure, "3½ acres" as being the amount of cropland available per capita on which each person is dependent for most of his food and clothing. The figure, "3½" is in error and should be corrected to "2½ acres per person."

The facts and figures behind the 2½ acres per person and the per acre annual cost of the Agricultural Conservation Program may be of value to State committeemen, farmer fieldmen, county committeemen, and others interested in the ACP, for use in press releases, on the radio, newsletters, sponsored ads, and other informational outlets. Accordingly, on this and the following page are data showing how these figures were calculated.

Year	1/ 52 Crops Harvested Acres (000)	2/ Total Population (July 1)	Harvested Acreage Per Capita
1919	350,689	105,062,747	3.3
1920	346,570	106,466,420	3.25
1921	345,425	108,541,489	3.2
1922	341,487	110,054,778	3.1
1923	344,881	111,949,945	3.1
1924	345,172	114,113,463	3.0
1925	349,791	115,831,963	3.0
1926	349,040	117,399,225	3.0
1927	348,244	119,038,062	2.9
1928	351,466	120,501,115	2.9
1929	355,295	121,769,939	2.9
1930	359,896	123,076,741	2.9
1931	355,818	124,039,648	2.9
1932	361,794	124,840,471	2.9
1933	330,850	125,578,763	2.6
1934	294,736	126,373,773	2.3
1935	336,062	127,250,232	2.6
1936	313,856	128,053,180	2.5
1937	338,468	128,824,829	2.6
1938	338,469	129,824,939	2.6
1939	321,729	130,879,718	2.5
1940	330,253	131,970,224	2.5
1941	334,126	133,202,873	2.5
1942	338,070	134,664,924	2.5
1943	346,578	136,497,049	2.5
1944	350,622	138,083,449	2.5
1945	346,482	139,621,431	2.5
1946	345,773	141,182,000	2.4

1/ Source December 1946 Annual Summary Crop Report, BAE

2/ From the Bureau of the Census.

The above figures include substantially all the land from which crops were harvested, but exclude fallowed land and idle land which for one reason or another did not produce a crop. Since good prices, strong demand and the

(CONTINUED next page)

(Continued from page 2)

patriotic stimulation of war needs have influenced production during the past several years, it may be assumed that the figures for all practical purposes represent all land available for crop production for those years. In support of this statement, the March "Consumers' Guide," (p.8) says this:

"If we were to take all our unfit land out of cultivation today and use our remaining farm land according to its needs and ability to produce safely, we would have little more than the two and a half acres per capita under cultivation that are required to support our population adequately."

The investment in conservation of 69 cents per acre each year was derived by dividing the 1947 fiscal year appropriation for the Agricultural Conservation Program (\$301,770,000 less \$1,000,000 for Alaska, Puerto Rico and Hawaii, \$800,000 for the Naval Stores Program, and \$60,000,000 for practices on rangeland) by the 1946 harvest cropland total. Since administrative expense is a part of the appropriation as well as a cost to the tax-paying consumer, it was included as a part of the conservation investment figure. The \$60,000,000 estimated for rangeland practices, when divided by the 556,893,000 acres of privately-owned range and pastureland reported on 1945 ACP listing sheets, amounts to 11 cents per acre.

For the $2\frac{1}{2}$ acres of cropland and 4 acres of rangeland per capita in the U. S., each American spends \$2.17 a year (1947 fiscal year basis) through the Agricultural Conservation Program for conservation.

EXPORT OUTLET TAKES

3 MILLION BU. POTATOES

About 3 million bushels of potatoes had been shipped abroad as of March 15 under the Department of Agriculture's export program.

Developed as an additional outlet for the heavy surplus of potatoes from the 1946 crop, completed contracts under the export program cover 6 million bushels. Contracts for moving as much as 2 million additional bushels are being negotiated.

In addition to the above quantities, the Department will purchase at support prices for re-sale to the Army, 6.5 million bushels of U.S. No. 1 grade potatoes from Maine and the North Central States. These potatoes will be distributed in Germany for seed, and will permit potatoes now held in that country to be released for table stock.

The Department also has made potatoes available for relief feeding by foreign governments, UNRRA, and the Army, at a token price of 4 cents per hundredweight, f.o.b. country shipping point.

Belgium, France, Italy, Portugal, and Spain have purchased potatoes from the U.S. under the export program.

* * *

---Great Britain will receive 55,000 hundred-pound bags of Great Northern beans under an emergency allocation, the Department of Agriculture has announced.

PRICES RECEIVED BY
FARMERS IN MARCH
AT RECORD HIGH

Prices received by farmers averaged 3 percent higher than the record of last October with a 7 percent rise during the month ended March 15, the Bureau of Agricultural Economics reported this week. Meanwhile, farmers' living and production costs continued to rise and exceeded previous record level of February 15 by 4 percent.

Rising prices paid by farmers continued to push all parity prices up. These increases from February 15 to March 15 were somewhat more than offset by the higher level of prices received, so that the average percentage of parity received by farmers increased 3 points from 119 on February 15 to 122 on March 15. Since October, however, the rise in prices paid has been relatively greater than the rise in prices received, so that the new record prices received in the month ended March 15, averaged only 122 percent of parity compared to the October record of 132 percent. A year ago farmers were receiving an average of 116 percent of parity.

USE OF LIME MOVES
WEST AND SOUTH

The use of limestone by farmers under the Agricultural Conservation Program shows spectacular gains in the West and South during the last three years.

In headline style, the story might be told: Texas, 100-fold increase Oklahoma, 14-fold increase Kansas, 9-fold increase Louisiana, 9-fold increase Mississippi, 3 2/3-fold increase Georgia, 2 1/3-fold increase.

These spectacular State gains compare with a nationwide increase of about one-third, according to a recent tabulation in the Department of Agriculture. More than 90 percent of the lime used by farmers in 1946 was spread with ACP assistance.

While limestone applications have increased by leaps and bounds in every State since the program was started in 1936, the 6 States named have made the biggest gains among major users during the last 3 years. For example, Texas farmers spread less than 1,000 tons in 1943. Last year they used an estimated 104,000 tons under the program. Oklahoma jumped from 28,495 tons in 1943 to an estimated 400,000 tons last year.

Principal reason for the big increases in the six States has been the development of new sources of lime supply plus the culmination of years of education on the need for lime in the areas concerned. Stimulating all the activity was the assistance given to farmers through ACP and its elected farmer-committeemen.

FARM TENANCY
AT LOW POINT

Farm tenancy is now at its lowest point in more than 50 years, according to the Bureau of Agricultural Economics.

In 1945, the farms of tenants and croppers made up 32 percent of all U.S. farms. This compares with a high of 42 percent in the 1930's and nearly 39 percent in 1939.

While the trend towards fewer tenants and more farm owners looks good, BAE cautions that the test lies ahead when prices and income go down. The number of foreclosures on farms at that time will tell the tale.

ADVISORY COMMITTEE
DISCUSSES POTATO PROBLEMS

In a two-day conference, March 24 and 25, with USDA officials concerning the readjustment problems of the potato industry, the Potato Advisory Committee under the Research and Marketing Act of 1946 recommended coordinated plans for research on orderly marketing and more efficient utilization of the crop.

The Committee believes that the potato industry should use the facilities provided by the Research and Marketing Act of 1946 to develop improved methods of handling succeeding crops with a minimum of loss and waste. It recognizes the troublesome problems involved in the price-support program for the 1946 crop and believes that adequate remedies and adjustments to prevent its recurrence can be found.

Strong emphasis was placed on making top quality potatoes readily available to the consumer and diverting surplus low-quality potatoes to industrial use.

"Adequate research toward improved marketing methods and the development and expansion of new outlets for fresh and processed potatoes has been neglected," Committee Chairman Harry E. Umphrey said, "because the potato industry is made up of so many small independent segments. Here is an opportunity," he stated, "to take advantage of an intensive research program to solve problems the industry has faced for many years."

The Committee recognizes that during the war years, great efforts were made to increase potato production to meet war needs. Therefore, to assure an adequate supply, more than enough was the logical goal for potato production. It was also pointed out that in the past year potato growers had produced a tremendous crop on the smallest acreage in 18 years. This emphasizes the need for research to develop new outlets for this important crop.

Mr. Harry E. Umphrey, President of the Aroostook Potato Growers, Inc., Presque Isle, Maine, is chairman of the Potato Advisory Committee and Richard E. Moody of the Field Service Branch, PMA, is Executive Secretary. Other members from the Northeast Region who were present at this meeting were: Harold J. Evans, N.Y. Cooperative Seed Potato Ass'n. Inc., Georgetown N.Y.; J. M. McCauley & Son, 730 Atlantic Ave., Brooklyn, N.Y.; George L. Moore, First National Stores, Inc. Somerville, Mass.

FLOYD VERRILL CHAIRMAN
OF MIDDLESEX, MASS. COUNTY
COMMITTEE FOR TEN YEARS

Floyd Verrill of Concord, Massachusetts, has left the Middlesex County Agricultural Conservation Committee after a long and faithful service, according to word received from the County.

In 1936 when the first County Committee was formed, Mr. Verrill became a member. Ever patient and wise in his counsel, Mr. Verrill has lent much to the development of agriculture in Middlesex County.

In recognition of this service Mr. Verrill was presented with a pen and pencil set at a gathering of committeemen and others on March 6 in Carlisle.

LARGE GRAIN EXPORT
ALLOCATIONS FOR MAY

Allocations for exports of grain in May amount to more than 51 million bushels, with grains other than wheat making up more than half the total.

Amounts of grain exported or scheduled for shipment during the current marketing year should total nearly 415 million bushels by May 1. This is 15 million bushels more than the goal established last summer for the 1946-47 program. If shipments continue at their present rate, the amount will exceed 465 million bushels by June 1.

USDA PURCHASES 25 MILLION
POUNDS NONFAT DRY MILK

The U.S.D.A. has announced that 25 million pounds of nonfat dry milk were purchased during March under the price support measures announced Feb.

24 and March 7. Purchases were made for March and April delivery. Nearly 10 million pounds of the dry milk will be used immediately to fill an UNRRA requirement, Department officials said.

The Department will consider offers of nonfat dry milk for April delivery in export barrels with half-inch cleated heads. It was formerly required that all dry milk purchased under the program be packed in export barrels with 5/8 inch heads. One-eighth cent per pound less will be paid for the milk packed with the lighter barrel heads. To be considered, offers must state that they are for milk packed with half-inch cleated barrel heads and at the lower price set for such packages.

VEGETABLE RESEARCH
ADVISORY COMMITTEE NAMED

Naming of the commodity advisory committee which will represent the vegetable growing and processing industry in the development of programs under the

Research and Marketing Act of 1946 was announced Mar. 26 by the USDA. This committee, together with those previously named for other commodities, will study the needs of their respective fields for new research under the terms and conditions of the Act. The vegetable industry is interested in perfecting better cultural, harvesting, shipping, processing and storage methods needed in the further progress of the fresh, dried, canned and frozen vegetable industry.

Committee members are as follows: Dr. Frank App, producer, shipper and processor, Seabrook Farms, Bridgeton, N.J.; Harold M. Busick, wholesaler, Cincinnati, Ohio; J.F. DeZauche, producer, shipper and processor, Opelousas, La.; Paul B. Dickman, producer and shipper, Ruskin, Fla.; Whitney Gast, producer, Akron, Ind.; Herbert F. Krimendahl, producer and processor, Stokely-Van Camp, Inc., Indianapolis, Ind.; Kenneth R. Nutting, producer and shipper, Salinas, Calif.; Joseph W. Robson, producer and seedsman, Hall, N.Y.; Dean Stanley, producer and shipper, Phoenix, Ariz.; Ben B. Vail, Produce Division, National Assn. of Retail Grocers, Chicago, Ill.; James D. Ward, producer, San Benito, Tex.

SUGAR RATIONING ADMINISTRATION
SET UP IN DEPT. OF AGRICULTURE

Establishment of a Sugar Rationing Administration within the Department of Agriculture, to carry out the functions assigned to the

Secretary of Agriculture by the Sugar Control Extension Act of 1947, has been announced, effective April 1, 1947.

All present regulations governing sugar rationing are to remain in effect, unless and until modified or rescinded by the Secretary. Sugar rationing books will continue in use in accordance with the provisions already announced, and ration book holders are being warned to preserve them.

32 PERCENT OF 1946 ACP
PAYMENTS CERTIFIED

For the period ending March 21, a total of \$2,267,711 had been certified by States in the Northeast Region representing 32.5 percent of the total estimated

1946 ACP payments to be earned. Vermont had certified 57.8%, Massachusetts, 50.2%; Pennsylvania, 35.9%; Connecticut, 35.8%; New York, 26.7%; Maine, 30.4%; New Hampshire, 30%; New Jersey, 23.4%; Rhode Island, none.

Radio Transcription
R. E. Moody, Chief, Economic Section
Northeast Region, Field Service Branch
Production & Marketing Adm., USDA
Station WBZ, Boston, Mass.
April 3, 1947 - 6:15 a.m.

1947 IRISH POTATO PROGRAM

The 1947 Price Support Program for potatoes is receiving more attention than programs for other agricultural commodities.

Potato producers have a vital interest in this program -- so does the general public.

Potatoes have been greatly overproduced the last two years and potato growers would have lost heavily had it not been for the Government support programs. Price support on the 1946 crop alone has returned producers at least \$300,000,000 more than they would have otherwise received. This price support saved thousands of farmers from severe losses and, in many cases, even from bankruptcy.

However, the 1946 program had its faults. Because far too many potatoes were produced -- some 90 million bushels more than needed -- land, labor, machinery, fertilizer and spray materials were wasted. Because far too many potatoes were produced, the program cost the taxpayer too much money -- about 80 million dollars. And although the consuming public had plenty of potatoes at fair prices, many of the poorer quality potatoes found their way to retail stores.

Congress has provided that potato prices in 1947 and 1948 will be supported at not less than 90 percent of parity. Can the Department of Agriculture, together with the potato industry, do a better job of price support than in the past?

We think so. The 1947 price support program is designed to remedy faults of last year's program. It should provide the consuming public an ample supply of better quality potatoes at fair prices and require a much smaller amount of taxpayers' money.

To prevent a large oversupply of potatoes (with the resulting waste not only of potatoes but of the resources which produced them) each grower has been given a potato acreage goal. The production from these goals will provide an adequate supply of potatoes and still leave a cushion in the event of low yields.

Preliminary estimates indicate that producers generally will plant within their 1947 goal. The producer who exceeds his goal cannot sell potatoes to the Government or to any dealer with whom the Government has a contract. (In 1947 the Government will make contracts with dealers through State committees). If in some areas considerable overplanting should occur, the Department is planning to resell to the trade at less than support price the potatoes which it purchased. Thus, the non-complying producer would get a price determined more nearly by supply and demand while the complying producer's price would be fully supported, as it should be.

As for the details of the program:

Each commercial producer who has planted within his goal will receive a notice to list at his county office, prior to a certain deadline, the amount of potatoes on which he wishes to assure himself price support.

(Continued next page)

At time of listing, he will pay a nominal fee of about one cent per hundredweight for the potatoes listed. On the early and intermediate crops, it will be necessary that he list prior to harvest, but in the event of better yields he will have the privilege of amending his listing upward by paying the additional fee. On the late crop, he will list after harvest.

He will also at time of listing sign an agreement to sell all his lower grade potatoes to the government in order to permit only the better grade potatoes going to consumers. During periods of surplus, the Government plans to divert these lower grade potatoes to non-food uses, such as starch, flour and other commercial products.

Listing will give the Government an estimate of the amount of potatoes they may be called upon to support in each area, and will permit scheduling deliveries to meet available outlets. Producers may be asked to agree to deliver their potatoes on a certain schedule. Listing and scheduling of deliveries will also permit the elimination of the September 15 deadline, which in past years, marked the end of support by purchase. In other years, only support by loan was possible on late potatoes. In 1947, potatoes marketed after September 15 will be scheduled for purchase throughout the fall and winter months. This will permit State committees to make the best possible use of any surplus not needed commercially.

It is also planned to pay producers by sight drafts issued directly by the State office in much the same manner as the old Dairy Feed payments. This should make for prompter payments.

Support prices have already been announced on early and intermediate potatoes. These prices average 30 to 35 cents per cwt. above 1946 average support prices, reflecting the increase in parity. Support prices for late potatoes will be based on July 1 parity and will be announced prior to harvest.

A loan program will also be available for producers of late potatoes who may need funds. This loan program will be similar to the 1946 program.

To assist in directing surplus potatoes to available outlets, contracts with dealers will be made through the State committees. Such contracting dealers will buy only eligible potatoes and will pay support to all eligible producers. Contracting dealers will not buy any potatoes from ineligible producers at any price.

So it is planned that the Government and the farmers and contracting dealers will work together under the 1947 program:

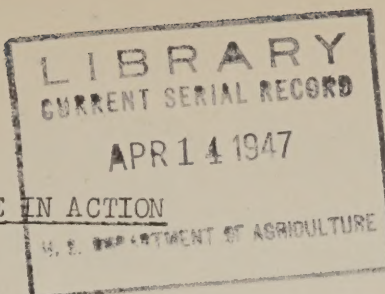
- to prevent wasteful overproduction of potatoes
- to save the taxpayer's money
- to give the consumer sufficient and better grade potatoes at reasonable prices while assuring the farmer an adequate income.

* * *

(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., & R.I.)

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.



April 9, 1947

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester
Director, Northeast Region

ANDERSON OUTLINES

SOIL CONSERVATION NEED

Making the Nation's soil safe for the future is a 20-year job under the best conditions, Secretary of Agriculture Clinton P. Anderson recently told the fourth annual Oklahoma "Save the Soil Clinic." And it could easily take two or three times that long, with the work of maintenance thereafter never-ending.

For instance, 13 million acres had been terraced by 1945, the Secretary said, but seven times that much remained to be done. Farmers had drained two-thirds of a million acres, but had 66 times as many to go; despite seedings of over 27 million acres of range and pasture land, we had done just one-fifth of the job.

Eighteen million acres had been put under contour practices. But national needs required seven times that many more. Eight times as many acres of range land are in need of proper stocking as are now properly stocked.

In short, though we have nearly 100 million acres under complete soil and water conservation treatment, and 316 million acres are being used in carrying out one or more Agricultural Conservation Program practices, agriculture is still a long way from the permanent protection necessary for our remaining productive land. This year, less than half the acreage required to grow such intertilled crops as corn, cotton, and soybeans will be adequately protected.

The answer, as Secretary Anderson sees it, is "soil practices plus -- good land use and good total farm management right down the line."

EGG SUPPORTS

INCREASED IN MIDWEST

Egg prices in the Midwest for the month of May will be supported at 35 cents a dozen. This is 2 cents a dozen above the previously announced support price for the months of February through April.

The increased support price, USDA officials point out, is due to an 8-point rise in the index of prices paid by farmers to a new record high of 229 as of March 15.

Department purchases will continue to be made only from dealers who certify they have paid producers an average of 35 cents a dozen.

During the first 3 months of this year the Department purchased the equivalent of more than 3.4 million cases of shell eggs for foreign account and to support prices.

LIME DELIVERIES 90,000 TONS
BEHIND LAST YEAR SAME DATE

The boxcar shortage has made substantial inroads on scheduled limestone deliveries under the 1947 Agricultural Conservation Program for the Northeast

Region. As of March 28, only 213,000 tons had been delivered of the Region's 2,000,000 tons estimated to be ordered for delivery before next October 31.

This is 90,000 tons behind last year's deliveries of the same date. The situation is even more acute than first appears when compared with last year when deliveries were made through December instead of closing off October 31, the closing date for 1947 deliveries.

Several plants have been forced to close down for brief periods or curtail output to match the inadequate number of boxcars available.

The report of orders and deliveries by States follows:

State	Estimate of Tonnage to be Ordered	Tonnage Rec'd From County Offices	Percentage of Estimated Tonnage	Deliveries Reported by Suppliers	Percent of Estimated Tonnage
Maine	87,710	28,109	32	8,855	10
New Hampshire	43,633	17,899	41	4,023	9
Vermont	69,119	60,962	88	25,956	38
Massachusetts	79,060	49,088	62	10,462	13
Rhode Island	9,750	4,153	43	975	10
Connecticut	64,953	38,322	59	5,255	8
New York	791,375	327,435	41	58,810	7
New Jersey	68,265	52,511	77	22,191	32
Pennsylvania	842,723	401,706	48	76,929	9
Total	2,056,588	980,185	47.7	213,456	10.4

FARMERS CALLED ON
TO SAVE SOIL

A closing two-hour discussion session featured the Virginia meeting of county committeemen and chief clerks at Richmond, April 3 and 4.

Director Bridgeforth, State PMA Director, set the tone of the session with the opening statement: "This Nation has got to do an effective job in building and maintaining its soil. That determines how much and what kind of food we are to have today and tomorrow. And that in turn has a lot to do with how many people and what kind of people -- what kind of bones, muscles, and brains -- smart people or dull people -- people who can compete or those who can't . . .

"Can this Nation forget its job of building and maintaining its soils? . . . Can it be done without a strong, vigorous, and effective national program?

"I am positive that this job will not be done effectively or in the best interest of the Nation unless there is a vigorous program run by farmers, centered on those essential conservation operations which bring the results which the Nation must have if it is to continue.

"I insist that it gets rather ridiculous to devote all our energies to saving ourselves from the atom bomb only to move into a slow lingering deterioration because we have not been smart enough to save our soils."

FARMERS RECEIVING 22%
MORE INCOME IN FIRST
QUARTER OF '47 THAN '46

Farmers will receive a total of about 7.5 billion dollars from the sale of farm products and from Government payments during the first 4 months in 1947, 22 percent more than the 6.1 billion dollars received

during the same period last year. Most of the gain is due to increases in prices. Government payments for the first 4 months will be only about 40 percent as great as in 1946.

Cash receipts from livestock and products during the first 4 months of the year are expected to total around 5 million dollars, or 40 percent above 1946. Prices for meat animals are averaging about 55 percent and cash receipts 50 percent greater than last year. Prices of dairy products are about one-third higher, with total receipts showing a slightly greater gain. If Dairy payments are included in 1946, however, the increase in total dairy receipts this year would amount to only 15 percent. Cash receipts from crops during the first 4 months in 1947 probably will total about 2.3 billion dollars, or 7 percent more than in 1946. Average prices of all crops may be up as much as 17 percent, but the total volume of marketings will be down slightly. Substantial gains in cash receipts will be recorded in food grains, feed crops, and tobacco.

Total cash receipts in March, including Government payments, were about 1.8 billion dollars, 5 percent above February and about 25 percent more than in March 1946. Prices showed a gain of 30 percent over March 1946. In April, cash receipts are expected to total about 1.8 billion dollars, the same as in March but 15 percent more than in April last year. Higher prices will account for most of this gain.

1947-48 SUPPLY OF FEED
GRAINS WILL BE SLIGHTLY
SMALLER THAN 1946-47

The 1947-48 supply of feed grains will be a little smaller than the 1946-47 supply, if farmers carry out their March 1 planting intentions and yields are about average.

On March 1, farmers intended to plant 3 percent less corn acreage, 1 percent less oats, 11 percent less sorghums, but 1 percent more barley than in 1946. Production of the four feed grains in 1947 are expected to be about 116 million tons, 3 percent smaller than the record production in 1946. This production plus the larger combined carry-over of corn, oats, and barley in prospect for 1947 would give a total supply of four feed grains only 3 percent smaller than the large supply of 1946-47, and about the same as the 1941-45 average.

Prices of feed grains advanced sharply from the middle of February through mid-March. The principal factors back of this rise were increased activity in markets by traders to meet commitments for export, the continued strong domestic demand for processing, and insufficient available boxcars to meet the large requirements. Feed-grain prices are expected to continue fairly high until prospects for the 1947 crops are better known.

Farm sales of corn in the North Central Region, the source of most of the commercial supplies, are expected to total about 275 to 300 million bushels during April-Sept. this year. Supplies of by-product feeds during April - September 1947 are expected to be about 10 to 15 percent larger than in the same period of 1946, mostly wheat.

The total quantity of feed concentrates fed to livestock during 1946-47 probably will be 5 to 10 percent less than in 1945-46.

LEGUME, GRASS SEED
OUTLOOK GOOD

Comes word now that farmers will have a reasonably adequate supply of legume and grass seeds in 1947.

Compared with recent years, there'll be more alfalfa, orchard grass, and redtop; somewhat less sweetclover, brome-grass, sudan, blue-grass; and about the same or slightly more timothy, red clover, alsike, Ladino, and white clover.

Here's the 1947 supply picture indicated at present for the various hay and pasture seeds:

Alfalfa: Around 86 million pounds, larger than the 64 million of recent years, primarily because of a record 82-million crop in 1946. The northern variety will be relatively short; central and southern, plentiful.

Red clover: Ninety million pounds, about same as last year. Record 1946 crop of almost 104 million will keep stocks high, in spite of exports of 8.5 million pounds to Europe, mostly to the United Kingdom.

Alsike: 17 million pounds expected, compared with 16.4 million last year. Outlook is for plenty of this seed unless demand increases more than seems likely at this time.

Sweetclover: Around 37 million pounds compared with 41.5 million last year.

Ladino: 800,000 pounds, about 100,000 more than last year. Farmers would probably like to get more than will be available -- the crop did well last year.

White Clover: 2.5 million pounds, a little more than in recent years; 1946 crop of 2.9 million was a record, but good demand for the seed makes supply appear short.

Brome-grass: Around 12 million pounds, compared with more than 18 million last year. Crop in 1946 was only 5 million, less than half the year before. Brome-grass has become popular in recent years. Farmers have found a mixture of brome-grass and alfalfa a good combination, and may want twice what will be available.

Orchard grass: 6 million pounds, almost twice the 1946 figure. Biggest crop ever in 1946. Can be used instead of the comparatively short brome-grass and blue-grass in pasture mixtures, although not really a substitute.

Sudan: 35 million pounds, compared with about 45 million in 1946. Crop of 20.8 million was about 500,000 shorter than in 1945. Looks as though supply will be sufficient, unless we have an early dry summer, when sudan would be especially valuable and in increased demand.

Timothy: 52 million, about same as in recent years. Good news for users of this old standby.

Redtop: 18 million pounds compared with 15.6 million in 1946 and 19 million in 1945. Figures don't tell the whole story, for crops in both States where grown for seed -- Missouri and Illinois -- were only about equal to former Illinois output in prewar years. Supply will probably meet demands, however.

* * *

(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., & R.I.)

Radio Transcription
A. W. Manchester, Director
Northeast Region, Field Service Branch
Production and Marketing Adm., USDA
Station WCSH - Portland, Maine
April, 1947

There's a lot of excitement about communists nowadays. We are hearing all sorts of stories about the underground and insidious ways in which they are plotting to destroy the American government and the things we consider worth the most.

I don't know anything about communists. I don't know how much of what we hear really amounts to something and how much is oldwives' tales or the jostle a pick-pocket gives us to distract our attention while he gets away with our wallet.

But I do know something about another crowd that are stealing the country away and undermining the future right before our eyes and in broad daylight. I'm not saying that this second crowd are as dangerous as communists -- that would be hard to judge; but I do know that we can be a great deal surer about the damage they are doing and threatening. And I rather think we know better how to deal with them.

This second crowd of enemies aren't people. They are forces. But they get their chance because of what people do and they can be stopped if people will do differently. Furthermore, it is clear now that people will do differently if the government does its part by organizing their efforts and helping them get the means to do the job.

Now what is this about stealing part of the country away? It might be a truer thing to say that they are skinning the country alive. For here is what I mean. Let's start with Maine. Aroostook County, for instance, is a very valuable part of the State. It is bringing into the State around 75 million dollars of new money this year. As a matter of fact, it is undoubtedly bringing in much more than that, but I am counting only the money that the potato crop brings in. I am probably underestimating that. I am trying to keep on the safe side.

Some of that money is sent out again for fertilizer and farm machinery and bags and so on, but most of it is spent right in the State. It makes a tremendous contribution to the State's prosperity. Lose it and there would be a great and aching void in Maine's prosperity. I don't need to tell that to Maine people.

Now, there is one basic reason why that money comes in. That is because Aroostook has a big acreage of very superior potato soil.

I am not minimizing the part that the skill and enterprise and hard work of the growers or the cooperatives and the potato trade, or of the researchers and technicians and all the rest play. That soil wouldn't get anywhere without them. But neither would they get very far without that soil. That's the point that I am concerned with today.

Let that first class potato soil degenerate into second rate potato soil and Aroostook would, I suppose, turn into an unintensive general farming area, supporting a fraction of its present population and bringing to the State only a meager part of what it now contributes.

These enemies I started talking about are stealing that No. 1 potato soil and are doing it pretty fast. The technical people tell me that there are significant acreages that are now first-class potato land that in 10 years will be down to second-class unless proper measures are taken to keep that from happening.

Radio Transcription - Continued

The enemies of course are soil erosion and soil depletion. In earlier years we didn't pay much attention to them or know what to do about them. While the methods of licking the enemy are still far from perfected, enough is known now so that it is entirely feasible and practical to prevent them from robbing the State of Maine and the country of a great asset like Aroostook County as it is today.

I have told this story in terms of Aroostook because I am talking to Maine people. But what is going on there is taking place in varying degrees on from a quarter to a half of all the crop land of the country. More than that, it is pretty often on the best land that erosion is worst. As a rule erosion doesn't do so much damage on general farms where the land is covered with sod a considerable part of the time, but when land is used intensively for tilled crops, the danger and damage mount fast.

We farm our land much harder in this country than we used to. We have to. There are more people to feed. As we farm it harder -- unless we take very special precautions -- erosion mounts.

There are areas of naturally very fertile soil in this country that have been settled in my lifetime where the damage from erosion is already serious. Many of you will remember, as I do, the land settlement rushes in parts of Oklahoma, for instance. It has come as a shock to me, at least, to learn how serious the problem has become there. Our land is that temporary under ordinary good farming.

Of course there is a great deal of other land that isn't suffering as seriously from erosion. That is true of much of Maine and the rest of New England and many sections scattered all across the country. That land is protected by trees or grass or it is so level that there is little washing or the soil is of a character that doesn't wash readily. It suffers from soil problems too -- fertility losses that make it less and less profitable to operate and eventually drive it out of use. It is terribly costly to the farmers and to the communities in which they live -- for that matter for the country as a whole -- to have that land run down.

But on those soils the damage is usually not irreparable. With proper handling, liming and fertilizing they can be restored to productivity. That is being done now with occasional tracts that preceding generations had cropped out. It is an expensive process, but it can be done.

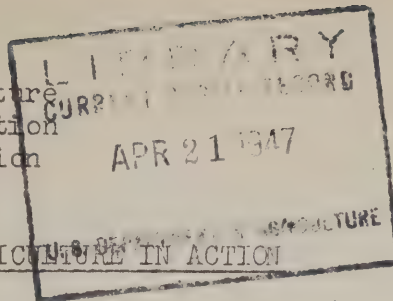
But land that is ruined by erosion is practically beyond hope and beyond recovery. There are millions of acres in this country that are moving fast down the road to the agricultural boneyard. It is one thing that this country cannot afford to have happen. We have tested out soil conservation programs to the point where we know that it is practical to save that soil. Every year that an adequate program is delayed means that much more land has gone beyond hope and recovery and that the cost of saving the rest has mounted.

If there is any illustration of a "stitch in time saves nine" it is in soil conservation. The job has to be done in this country if opportunity and prosperity in America are to be preserved. We can't have good living without abundant food. Our population is growing. Year by year that means more and more food or emptier stomachs. American food in the years ahead has got to be grown in America. There will be no other place to get it from. We can't raise that abundant food without well preserved soil. Every year that the job is neglected the total cost rises. The only possible economy is in doing the job on an adequate scale each year.

And it isn't just a farmer's job. The welfare of all of us is at stake and even more, the welfare of our children and grandchildren! If we are worth our salt we care more for them than for ourselves. I can think of no more effective way of making sure that they will have a tough time than by neglecting this job of soil conservation this year and the next and the year after that.

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.



April 16, 1947

Copy 2
Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester

Director, Northeast Region

NEED FOR BALANCING
PRODUCTION AND CONSUMPTION
PRESENTS SERIOUS PROBLEM

A big part of national attention is now centered on prices — the high cost of living. The realization is widespread that prices that are so high as to make it impossible for consumption to keep up with production are driving the country fast toward a recession or a depression. Consumers' incomes won't let them pay present prices. Accumulated stocks of goods are mounting. So are consumers' debts, while their savings dwindle.

To be sure, economic disaster can be postponed by various means like a great building up of consumer credit, or by a boom in expanding plants and production facilities.

But expanded credit means a heavy load of consumer indebtedness and even less ability to buy later. Over-expanded plants without corresponding increase in consumer buying ability mean that the crash will be that much worse when it comes.

Things like these are no substitute for a pricing system that gives consumers the power to buy in proportion to production and that yields profits sufficient to provide the needed flow of capital but not so excessive as to destroy the necessary balance between consumers' earnings and the goods that somebody has to buy if employment is to continue.

The present situation is one of serious unbalance. Production is outrunning consumers' ability to buy by so much that the idea that we are driving fast toward at least a substantial recession within a few months is gaining common acceptance.

In view of that fact, it's natural that the prices of all sorts of things are being questioned.

If prices ought to come down, the next question is, what prices, and how much?

The answer to those questions in general terms is fairly obvious. In the main, the prices that are too high are those that are yielding excessive profits and they ought to come down to the point where they yield only those profits that are needed to keep our economy advancing and working at full production rates.

Of course, it is not an iron-clad rule that excessive profits prove that prices are too high. They may be the result, for instance, of wages that are so low that they are out of line with the wages in other industries. In such cases, wages need evening up.

(Continued next page)

(Continued from page one)

Or prices may be too high without yielding excessive profits, for various reasons, such as incomplected reconversion or strikes.

But in general, the obvious and pretty safe way to detect excessive prices is to look for the industries where profits are excessive.

They are not hard to find -- and they are not on most farms or in most kinds of farming.

In many quarters, in the discussion of prices, first attention is given to food prices. That is entirely natural. Food is the first essential of life. Rising food costs bear hardest on the poor. The lower the income of the family, the greater the share that has to be spent for food. Labor organizations frequently stress high food prices when pressing for wage increases.

And food prices have gone up sharply, especially since controls were removed. In many cases the advance in food prices has been greater than the increase in other commodities.

So, it is natural that many are stressing substantial drops in food prices as a first and major step in price readjustment.

I doubt whether anybody would deny that there are some food prices that are too high. The whole national picture would be improved a bit if they were to drop to such extent as is warranted.

But, before any conclusion is reached that most food prices ought to go down substantially, there are quite a few facts that are worth looking into.

In the first place, if the best evidence of excessive prices is excess profits, how many farm products are priced too high? How many farmers are getting excessive profits?

There are, to be sure, certain farming areas, majoring in certain farm products, that are enjoying unexampled prosperity. In some cases the prices are so high there as to touch off serious inflation in land prices.

But most farm areas are far from that prosperous. For the year 1946, the average return per person for the entire farm population was \$626. That was a little less than half the \$1300 average return per person for all the people in the country not living on farms.

I know that the significance of that average return figure can be questioned in all sorts of ways, but still it is pretty hard to see how most farm product prices can be seriously too high when the incomes that farmers get as a result of those prices are only half as great as those that all the other people earn on the average.

Undoubtedly, the idea that food prices in general are too high is commonly based on comparison with the prices we used to have. But those old prices prevailed in days when farmers averaged to earn only about a quarter as much per person as the people in towns and cities. For the five years from 1935 to 1939, for instance, the average yearly income of each person on a farm in this country was only 173 dollars as compared with an average income of 624 dollars for each person not on

(Continued next page)

(Continued from page 2)

a farm. Neither figure is anything to brag about, but the farm figure was pitiable. The average farm person had only a little more than a quarter as much to live on as the average person in village, town or city.

The food prices we were used to in the good old days were based on the unpaid labor of millions of women and children and the half paid or quarter paid, and unending, toil of millions of men.

Those prices, too, were based on costs far below today's costs. Farm wages are three times now what they were then, and the things that the farmer buys average to cost about double. Farmers' prices have to reflect those doubled and tripled costs unless farm incomes are to sink to relative levels even worse than those of the 30's.

The old prices, or prices even near them, would be intolerable.

There is, in theory at least, a way to lower farm prices at the same time that farm incomes stay up. That is through increasing efficiency and increasing production per person.

Farmers are already pressing hard down that road. Increases in efficiency of farm operations are spectacular. Farming has advanced at least as fast as other industry, and thousands and thousands of progressive farmers utilize every new and better technique as fast as it is proved good.

But those things cut costs only bit by bit. 1947 efficiency is only a little better than 1946. Its effect on costs may be more than offset by the rising prices of the goods and equipment that the farmer buys to produce with. 1947 prices can't be cut much from 1946 because of greater efficiency, and 1946 prices on the average returned the farmer only half the income that others got.

Of course, the farmer receives only about one-half of what consumers pay for food -- less, when times are bad.

The spread between what the farmer gets and what the consumer pays is relatively inflexible. It generally stays about the same number of cents a pound or a quart, whether prices are high or low. If food prices go down, farmers will, if history repeats, bear nearly all of the blow.

These are cold facts and very serious ones. We won't get the needed expansion of the market for industrial products by making the farmer a poorer customer in order to make somebody else a better one.

--- A. W. Manchester, Radio Transcription, April 17, 1947
Station WBZ, Boston, Mass. - 6:15 a.m.

40 PERCENT OF 1946	Through the period ending April 4, 1947, the Northeast
ACP PAYMENTS CERTIFIED	States had certified 39.8 percent of the total 1946
	estimated ACP payments. Vermont and Massachusetts each
	reported 65.9 percent certified; Connecticut, 55.7%; New Hampshire, 46.2%; Maine,
	44.8%; Pennsylvania, 40.7%; New York, 32.3%; New Jersey, 29.8%; Rhode Island, none.
	The 39.8 percent for the nine States represented \$2,754,911 in payments.

Wholesale prices through the week ending April 5 have increased 55 percent over February 1942 prices.

In the March 5 issue of "Agriculture in Action" we reported a record level of wholesale prices -- 49 percent above February 1942 when price control was put into effect.

In the seven-week period since February 13, 1947, prices have advanced seven percent to set a new record.

The table below shows percentage increases of wholesale prices for selected groups of commodities from mid-February 1942 to:

Commodity	Week Ending			
	Feb. 16 1946	June 29 1946	Feb. 15 1947	April 5 1947
Farm Products	29%	39%	68%	80%
Foods	14	21	71	75
Hides & Leather Products	3	7	50	50
Textile Products	8	16	45	49
Building Materials	9	19	57	62
House Furnishing Goods	3	6	18	22
Metal & Metal Products	2	8	33	35
All Commodities	11	17	49	55

DECLINE IN MAY-JUNE MILK PRICES IN 4 NORTHEAST MARKETS LIMITED TO 4¢

The U. S. Department of Agriculture has announced that action has been taken to hold the decline in minimum producer prices of fluid milk in four Northeastern markets to 4¢ per hundredweight.

The new prices will be effective through May and June.

The four markets, with their May-June minimum producer prices per hundredweight are: New York, milk of 3.5 percent butterfat content within the 201-210 mile zone, \$4.14; Boston, milk of 3.7 percent butterfat content within the 201-210 mile zone, \$4.33; Lowell-Lawrence, milk of 3.7 percent butterfat content f.o.b. city, \$4.77; Fall River, milk of 3.7 percent butterfat content, f.o.b. city, \$5.08. These prices are 4¢ per hundredweight below current minimum producer prices in these markets.

The effective prices announced will result from effectuation on May 1 of seasonal price variations in the Federal orders regulating milk marketing in the four areas (which will bring about the 4¢-cent reduction), and the suspension of formula price changes which link producer prices of fluid milk with prices of manufactured dairy products (which would have brought about a further decline).

Department officials explained that continued high feed costs have made it desirable to suspend for May and June the formula price provisions of the Federal orders in these markets.

Postponement for the four Northeastern markets of the seasonal price drop from April 1 to May 1 was announced on March 20.

MUST INCREASE CONSUMPTION
AND PURCHASING POWER TO AVOID
REPETITION OF PREVIOUS ECONOMIC
DISASTERS, SAYS FAO COMMISSION

The following are excerpts from the Food and
Agriculture Organization of the United Nations
Preparatory Commission on world food proposals:

"Following World War I, after the devastated areas were restored and the world was restocked and re-equipped, it was found that the world could not absorb the increased production which the war had stimulated. The result was the economic and financial crisis, and the human tragedies of the nineteen-thirties.

"Today, in many respects we are in a position similar to that after World War I. Productive capacity has been expanded in many countries outside the combat areas. The war-devastated areas are being repaired. The world is being restocked and re-equipped. What are we going to do when these tasks are accomplished? If nothing is done to absorb the much greater production which our efforts in World War II have stimulated, we may find ourselves heading for a greater disaster than in 1929. The result may be millions out of work, an unparalleled business recession, and social and economic unrest, with renewed pressures for restriction of production. . .

"As long as the war-expanded productive capacity is being used to restock and re-equip the world, all appears to be well. But once the farms and factories of Europe and Asia are restored and in full production the problems will arise of finding markets for the augmented world output. In order to avoid a repetition of the disasters of the last postwar period, it is necessary to increase consumption and purchasing power to an extent which will keep the world's production capacity fully utilized and steadily expanding. . .

"The problem of raising in all lands the nutritional levels of consumers who before the war were living below an adequate health standard has been before us throughout our deliberations. We have considered on the one hand the case of those in economically advanced countries who were prevented by poverty, unemployment, and insecurity, from making their demand effective. The solution of their problem, on which some nations have made great strides during and since the war, lies in the maintenance of consuming power through policies for full employment and social security, and through the development of welfare food services. On the other hand, we have had the much greater problem of increasing the food consumption of the mass of the population in less developed countries. The solution here lies in urgent and radical measures for raising output and purchasing power within these areas themselves. Means must be found to expand not merely agriculture but the industries which will be required to absorb surplus agricultural workers and to provide the goods to pay for imports.

"The undeveloped countries cannot accomplish this unaided. They need raw materials, machinery, machine tools, and construction and transportation equipment. They need the assistance of technical experts. Some of them need food. For some time to come most of them will not be in a position to pay for all they need to import. Hence, they also require financial aid, probably on a substantial scale. This would be an occasion for international investment and would offer new markets to industrial countries. The judicious development of productive capacity would enable underdeveloped countries later to export goods in payment for their increased imports. Moreover, the advanced countries will stand in need of such new market opportunities. For while they can find some outlet for their increasing production of consumer goods in a rising standard of living for the workers of their own and other advanced countries, in the long run the prospects of maintaining adequate demand for the still growing industrial capacity of the world depend on new, expanding and effective markets in the less developed areas.

SMALL FARMS GET MOST
ACP AID PER ACRE

Most recent figures show the operators of small farms receive larger payments per acre under the Agricultural Conservation Program than operators of big farms.

The 1945 farm census shows that a quarter of the nation's farms included less than two percent of the country's total farmland. However, more than three percent of ACP payments in 1945 went to cooperators who operated farms of this size.

Half of the nation's farms included only eight percent of the Nation's farmland. But 13 percent of ACP's payments went to cooperators who operated farms in this category.

On the other hand, the top quarter of the nation's census farms included three-quarters of the Nation's farmland. But somewhat less than three-quarters of ACP payments -- 67 percent -- went to cooperators who operated these large farms.

There are two reasons that the smaller operators get more ACP assistance per acre of land:

The first is that in amending the AAA Act in 1938, the Congress provided for an increase in the amount of small payments -- that is, those of less than \$200. Second, the Congress provided a maximum limit of \$10,000 on payments to large operators.

Generally speaking, however, assistance is distributed according to needs of the land. In the same area, conservation needs of a large farm, acre by acre, are just about the same as for a small farm. For example, about the same amount of money is spent to carry out conservation measures on an area of 200 acres whether those acres are one farm, several farms, or a part of a larger farm.

This general plan is in line with the declared policy of Congress to preserve and rebuild land resources in the national public interest.

PENNSYLVANIA PLANS
"MIRACLE OF FOOD DAY"

Ten thousand Pennsylvania clergymen will be requested to preach a special sermon on food production, conservation and preservation by the State PMA Committee on the annual "Miracle of Food Day" set for May 18 in Christian churches and May 16-17 in Jewish synagogues.

The request follows a precedent inaugurated four years ago when all-out production was necessary to promote the war food program. Now, according to a letter mailed by the State Committee, "we need all out production on the farms of America -- not for a war food program this year but a world peace program for all time. We can have no enduring peace in a hungry world."

Sermonic outlines are being prepared by members of the ministerial committee which is headed by Bishop John S. Stamm, President of the Pennsylvania Council of Churches of Christ.

ANOTHER RECORD WHEAT
CROP FORECAST

Winter wheat production for 1947 may total more than 973 million bushels, the Department of Agriculture forecasts. This production would be about 99 million bushels larger than the record 1946 crop and about 319 million bushels larger than the 1936-45 average.

ANDERSON TELLS
FARM POLICY

"The Triple-A approach right down to the county level, and especially at the county level, has proved itself to be the most effective organization thus far devised for administration of any national farm program," Secretary of Agriculture Clinton P. Anderson recently told a larger group of farmers and others attending the Sioux Falls, S.D. Farm and Home Days. "A grass roots administration has to be the basis for any effective farm program.

"It will be the basis for the machinery of farm programs in the future, whatever form the programs may take," the Secretary continued. "This country has never witnessed a finer demonstration of the process of democracy in action than has been given, county by county, and community by community, in what has now become the Agricultural Conservation Program, and which is the basis for our whole national farm program effort.

"Here in the country that germinated and breathed life into this democratic process, I want to reaffirm my faith in it and my purpose to hold fast to it as we face the problems of the future.

"It should be said to the credit of the farmers that they have done their part in living up to the aspiration of the leaders of those drab days in the development of democracy in agriculture. This development continued right through the war and was the forerunner of the wartime production goals by which farmers themselves charted the course for agriculture at a time when the very existence of democracy throughout the world was at stake.

"This democracy in action, which proved itself in time of depression and in time of war, can now be depended upon in this period in which the United States and the whole world are seeking adjustment to changed conditions."

PASTURE RENOVATION PAYS IN
COOPERATIVE EXPERIMENTS

Preliminary reports by the USDA show substantial forage crop increases secured by renovating old established orchard grass and bluegrass sods of better-than average production through surface tillage, fertilizing, and reseeding with good grass and legumes. These results obtained at the Agricultural Research Center, Beltsville, Md., check with similar results obtained by farmers and State Experiment Stations.

In the trial the renovation work was done in each of two seasons, 1945 and 1946, on three orchard grass pastures of 2½ acres each and three bluegrass pastures of 2 acres each. As might be expected, the first season's results showed a slight margin of production for the untreated pasture plots over those which had been renovated, especially because of a plentiful moisture supply.

In the 1946 season the bluegrass pastures renovated in 1945 showed increased dry matter yields of about 98 percent over the pasture which was not renovated. In the case of the orchard grass the plots which were renovated yielded 75.7 percent higher than the unrenovated area. Sustained summer production marked the renovated pastures, which were far superior in this respect. Both quantity and quality of the forage produced were high on the renovated pastures.

The pastures renovated in the second season made surprising gains over the check plots. The bluegrass pasture renovated in 1946 produced about 80 percent more than the yield on the unrenovated pasture. The renovated orchard grass pasture yielded an increase of about 28 percent over the unrenovated.

SLOW-ACTING NITROGEN FERTILIZER DEVELOPED

A slow-acting nitrogen fertilizer that feeds crops over a long growing period has been developed by soil scientists of the USDA. The fertilizer is one of a series of combination of urea and formaldehyde known as Uraform. It is produced at present only on a laboratory scale. Results of laboratory and green house tests with the material were demonstrated at a Soil and Fertilizer Conference held April 9 at the Plant Industry Station, Beltsville, Md.

Indications are that Uraform is superior to natural organics in supplying nitrogen at a uniform rate over a long growing period. Unlike nitrogen fertilizers now used, Uraform does not leach out of the soil easily. It offers promise as a source of nitrogen for corn, potatoes, and tobacco -- crops which ordinarily need additional fertilizer after they have been planted. Applications of Uraform at planting time would save labor.

Its delayed action and long duration would also make Uraform a valuable fertilizer for lawns and other grasses. Tests show that it may be used in mixed fertilizer as well as in separate applications. Because it does not appear to be affected by moisture absorption, Uraform offers possibilities as a conditioner that prevents caking, which is often a serious problem in mixed fertilizers. Unfortunately both urea and formaldehyde are in short supply at this time. As a result production of Uraform fertilizer must wait until more of these chemicals are available.

POULTRY RESEARCH COMMITTEE NAMED

A special committee to study the need for research on poultry and poultry products was announced this week by the USDA. This action is in keeping with the Research and Marketing Act of 1946. The work of the committee may extend to any part of the industry -- breeding of chickens for better meat and egg quality, nutrition, processing, transportation, distribution, and new and expanded uses of poultry and poultry products.

Members of the Poultry Advisory Committee are: Leo L. Baumgartner, Vice Pres., International Baby Chick Association, Litchfield, Minn.; Herbert Beyers, Gen. Mgr., Norbest Turkey Growers Asso., Sacramento, Calif.; Leland J. Graham, Gen. Mgr., So. States Marketing Cooperative, Richmond, Va.; David B. Greene, Kauffman & Greene, Dover, Dela.; Henry J. Hanson, Puyallup, Washington; Victor W. Henningson, New York, N.Y.; Leslie S. Hubbard, Lancaster, Pa.; Edward J. Priebe, Jr., Chicago, Ill.; E. G. Stockdale, Iowa Falls, Iowa; William Ullman, President, State Poultry Asso of Indiana, Kokomo, Ind.; Prof. Charles W. Upp, Head, Poultry Department, La. State University, Baton Rouge, La.

MORE FOOD GOING TO HUNGRY COUNTRIES

Good news for Europe's hunger-areas are the supplemental allocations of certain food items announced this month by the USDA. Additional flour will go to US-UK Occupied Zone in Germany, France, Italy, Norway, Eire, and Cuba -- 241,000 tons total.

About 36,000 tons of corn will go to Egypt; 5000 tons of oats to Belgium; 55,000 hundred-pound bags of Red Kidney beans to the U.S. military in Austria; 11,000 hundred-pound bags of Great Northern beans and 6600 bags of dry peas to Eire; 55,000 hundred-pound bags of beans and 44,000 bags of dry peas to the United Kingdom.

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(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass. Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H. & R.I.)

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

April 23, 1947

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester

Director, Northeast Region

NEW HAMPSHIRE SEES
"CONSERVATION WEEK"
JUNE 1 - 7

A state-wide program was begun in Concord, New Hampshire, Friday, April 12 to acquaint every person in New Hampshire with the necessity for conserving the soil. Some 25 federal, State, farm, civic, and fraternal organizations launched the program at a banquet to set in motion a conservation educational program which climaxes during Conservation Week, June 1-7.

The program is sponsored by PMA, Extension Service, State Soil Conservation Committee, Farm Bureau, State Grange, and the Young Farmers' Association.

The executive committee includes: L. A. Devan, Associate Director of Extension; Charles E. Brackett, PMA Assistant Director; J. Ralph Graham, PMA Director; Francis E. Robinson, University of New Hampshire Publicity Director.

The program of activities during coming weeks includes a green pastures contest with prizes offered for the winner in every county and a grand prize for the State winner. Sixty-two window exhibits will be displayed throughout the State involving the use of some 400 enlarged photographs of conservation work in New Hampshire and about 2500 posters will be used.

The slogan, "The Land — Our Heritage," will be the theme throughout the entire campaign to make sure that every man, woman, and child in New Hampshire recognizes the importance of conserving agricultural resources.

Secretary of Agriculture Clinton F. Anderson will speak at a banquet which will be held during Conservation Week.

Among the many cooperating State groups are: N.H. Bankers' Association, Federation of Garden Clubs, Federation of Women's Clubs, Federation of Business and Professional Women's Clubs, State Department of Agriculture, N.H. Citizens Committee for the General Welfare, Milk Control Board, Agricultural Alumni Association, Agricultural Conference, Service Groups, Board of Health, State Department of Education, Department of Labor, Engineer and Firemen's Brotherhood, Citizens Council, Horticultural Society, and Citizens Committee.

Special news and radio features, tours, speakers, and CBS' Country Journal broadcast from Durham Conservation Week, will be part of the activities carried out by sponsoring and cooperating groups.

NONSENSE ON FARM PRICES

A great deal of nonsense has been written about the role of Government in supporting farm prices, according to Marquis Childs, Washington Post columnist, in his column of April 17. Indignant gentlemen are crying out in horror at the spectacle of Government support for food prices at the very time when the President is urging manufacturers to mark down their price tags.

In working themselves up into a tizzy, these indignant gentlemen ignore most of the facts. Some of these facts were pointed out by Secretary of Agriculture Clinton P. Anderson in an interview. First and most important of all is the fact that, without the support price program adopted by Congress, we might not today have the bumper crops which make it possible to feed ourselves at new high levels and also to ship food to hungry Europe.

The United States and Canada are both producing about 40 percent more food than was produced before the war. But they are the only two countries in the world that have topped prewar levels. After World War I. there was a disastrous collapse of farm prices which had a ruinous effect on agriculture, particularly in the Middle West.

In working up their case, the indignant gentlemen conveniently ignore the fact that the price of only one commodity is now being supported. About 80 million dollars is being spent to support the price of potatoes as a result of the bounteous 1946 crop. Potatoes are a small fraction of the cost of living -- about 4 percent of the average consumer's food bill.

* * *

The price of every other commodity is above the level at which support is required under the wartime law. That law requires Government support when the price drops below 90 percent of parity. Hogs are at 159 percent of parity, butterfat at 120, corn at 121, wheat at 121, chickens at 102. The reason they are high is that people have had money in their pockets to pay the price even when, as with bacon and ham, it was very high.

On March 15, the price of eggs was 96 percent of parity. That price is being sustained in the present season, when hens are laying, by purchase of eggs to be sent to Great Britain in dehydrated form.

Why then, the ordinary sensible individual will ask, could not potatoes also be sent to hungry people in Europe? Why are millions of bushels being destroyed? Already 22 million bushels have been dumped at a cost of \$19,500,000.

The obvious answer is that potatoes are nine-tenths water, which makes the cost of shipping, in relation to food value, excessive. Because it takes so many potatoes to make a pound of dehydrated potatoes, the latter cost 18 cents as compared to wheat, which costs 6 cents a pound.

There would be a scant solution if we had not rushed headlong to abandon all controls in the immediate aftermath of the war, when many countries were still close to starvation and chaos. We could have rationed wheat and bread, thereby compelling consumers to eat more potatoes. In this way we would have conserved wheat for export to areas where it is desperately needed, and at the same time we would have consumed the excess potato crop.

(Continued on page 3)

(Continued from page 2)

But the same indignant gentlemen were the ones who cried out against rationing and other wartime controls. These were contrary to free enterprise, they said.

These same gentlemen talked about letting farm prices fall to their natural levels. When they say that, they are forgetting a lot of recent history. They are forgetting what happened on the farms in the depression of 1930 and after.

In 1931 and '32, farmers in the Middle West were in revolt. They forcibly stopped sheriff's foreclosure sales. They talked freely of using violence. They poured milk into the streets rather than take depression prices for it.

In Washington the powerful farm lobby was at work. Farm spokesmen argued that industrial prices were protected by all sorts of agreements and that only farm prices were left to fall or rise in the whims of the market. They demanded equality of treatment and they got the AAA.

The wartime support price program is due to end December 31, 1948. But anyone who thinks that farm prices will be permitted after that date to rise and fall in a free market is bound to be badly mistaken. Neither the Democrats nor the Republicans are likely to advocate abandoning farm controls after next year. The American farmer would have an equal right to demand that all tariffs and protective devices for industry be abandoned at the same time.

HOG SUPPORT PRICES A continuing strong demand for meat makes it unlikely that
REVISED UPWARD the Government will have to take any price support action on
 hogs during the current year. Nevertheless, hog support
prices for the final 6 months of the 1946-47 marketing year will be available at an
average increase of \$1.35 a hundred pounds.

The Chicago weekly average support price announced by the Department of Agriculture for the April-September 1947 season will range from \$15.25 during May and part of June to \$17.25 in September. This average of \$15.60 for the period is based on the March 15 parity price of \$16.60 per hundred pounds, compared with an average of \$14.25 in effect from October 1946 through March 1947.

The revision results from the recent sharp increase in parity, which reflects increased prices for things farmers buy. It is also in accord with the approved policy that the hog support price be established at 90 percent of parity, as required by law, at the beginning of the two marketing seasons, spring and fall.

FEWER CHICKS Commercial hatcheries report 4 percent fewer chicks hatched
BEING HATCHED during March than during the same month last year, according
 to the Bureau of Agricultural Economics. Production during
March totaled 255,270,000 chicks, compared with 264,737,000 a year ago. Production
of 426,201,000 chicks for the first three months of the year was two percent less
than last year.

Demand for turkey poults continues slow. Reports from 246 hatcheries during March showed a production of 1,690,000 poults, 25 percent below March output a year ago.

COLBY NEW PMA COMMITTEE
MEMBER IN NEW HAMPSHIRE

James T. Colby, prominent Litchfield vegetable grower, has recently been appointed to the New Hampshire State PMA Committee.

Colby, who now operates a 400-acre truck farm, started his farming career in 1912 when he engaged in vegetable and purebred Berkshire hog production with some poultry "on the side." In 1923 he joined his two brothers in the production of purebred Holstein cattle, vegetables, and potatoes. Colby Brothers continued the three lines of agricultural enterprise until 1941 when cattle production was discontinued in favor of the other two. Expansion of their activities has been steady over the past two decades.

Mr. Colby has been prominently identified with many New Hampshire agricultural organizations, including the Farm Bureau, the Grange, the Merrimack Farmers Exchange of which he is a director, and the Boston Market Growers' Association. He is a member of the board of directors of the Hillsborough County Soil Conservation Committee and has served on the county Farm Bureau Labor-Wage Board.

ONLY 45.6% OF 1946 ACP
PAYMENTS CERTIFIED IN REGION

Reports from the Northeast States on April 11 showed only 45.6 percent of the estimated 1946 ACP applications for payment certified. Vermont

led with 90.7 percent; Massachusetts, 71.3%; Connecticut, 58.8%; New Hampshire, 58.8%; Maine, 57.2%; Pennsylvania, 42.1%; New Jersey, 39.8%; New York, 37.9%; and Rhode Island, 31.5%.

The ACP progress report on 1946 applications for payment and number of farms enrolled for the period ending March 31 is given below:

State	Applications for Payment			Farms Enrolled		% 1947 of 1946
	Est. Total Applications	Received State Office	%	1946	1947	
Maine	3,742	2,902	77.5	13,333	6,864	51.5
New Hampshire	1,262	849	67.3	7,060	5,326	75.4
Vermont	3,083	2,782	90.2	12,029	11,442	95.1
Massachusetts	5,351	4,658	87.0	10,168	7,977	78.4
Connecticut	2,689	1,997	74.3	5,665	4,693	82.8
Rhode Island	168	154	91.7	919	695	75.6
New York	25,542	11,534	45.1	81,463	69,019	84.7
New Jersey	10,154	6,259	61.6	12,926	12,231	94.6
Pennsylvania	35,310	16,994	48.1	98,342	64,473	65.5
Total	87,310	48,129	55.1	241,905	182,720	75.5

FARM LABOR PICTURE

A few more people on farms, getting higher wages, was the farm-labor picture on April 1.

By regions, increases in wage rates ranged from 7 to 11 percent, except in the Pacific Coast States where the average increase was 5 percent. Nationally, average wage rates this year amounted to almost four times the 1910-14 "parity" period.

About 9,242,000 people were at work on the Nation's farms, including 7,571,000 family workers and 1,671,000 hired workers. Both groups were slightly larger than a year ago.

GRAY NAMED TO NEW JERSEY
STATE PMA COMMITTEE

W. Andrew Gray, Stockton poultryman, has been named a member of the New Jersey State PMA Committee effective April 3.

Mr. Gray owns and operates Meadowdale Poultry Farm covering 60 acres. The farm which accommodates 2500 layers, a small dairy, and has an incubator capacity of 30,000, produces about 60,000 chicks annually, and broods about 8,000 pullets each year.

Gray is president of the State Poultry Association, organizer of the Poultry Breeders Club, and past president of the Hunterdon County Poultry Association. He is a former member of the Rutgers University faculty devoting most of his time to laboratory and field work in feeds and fertilizers. After five years at College Farm, he accepted a position with the Atlantic Coast Poultry Producers where he was assistant manager until 1926 when he resigned to operate his own wholesale and retail business.

In his home territory Mr. Gray is chairman of the membership committee of the Hunterdon County Board of Agriculture, former president of the Hunterdon County Poultry Association, active on the local 4-H committee, a member of the Agricultural Committee of the Flemington Fair, and a district supervisor of the Soil Conservation Service. He has had four years experience as a community committeeman for the Agricultural Conservation Program.

PURCHASE PLAN FOR FRESH
SPINACH AUTHORIZED

Approval has been given by the USDA for a purchase program for fresh spinach if it becomes necessary to support the market price of this commodity in the following States: Virginia, Arkansas, Oklahoma, Pennsylvania, New Jersey, Maryland, New York, Connecticut, and Massachusetts.

The program is already in operation in Virginia and may be carried on in the other 8 States if necessary, through June 30. The authorized plan stipulates 200,000 bushels as the maximum quantity to be purchased; 85 percent U.S. No. 1 quality or better; and the maximum price, 65 cents per bushel f.o.b. car or truck country shipping point. Distribution of the spinach purchased by the government will be made to eligible institutions or for use in school lunch programs.

MAKING SILAGE FROM THE HAY
CROP CUTS PROTEIN LOSSES HALF

Dairymen can reduce the size of next winter's protein-feed bill considerably by saving a greater percentage of the protein in their home-grown forage crops, say dairy specialists of the U.S.D.A.

An enormous amount of the protein available in hays and other harvested forage is lost through conventional methods of harvesting and storing the crops. Under humid conditions like those existing at the Department's Research Center, Beltsville, Md., more than a third of the protein in an acre of alfalfa may be lost when the crop is made into field-cured hay, even during ideal haying weather, the dairy specialists say.

One way to reduce the protein losses, and thereby actually put more of the home-grown protein in the cows' mangers next winter, is to make silage from the forage crops instead of curing them in the field for hay. This conclusion is based on the results of experiments by the Bureau of Dairy Industry and the Bureau of Plant Industry, Soils, and Agricultural Engineering, which have been underway at Beltsville for several years.

WHEAT SUPPLY OUTLOOK GOOD

About 450 million bushels of wheat are expected to be available either for export in 1947-48 or for addition to carryover July 1, 1948, the Department of Agriculture reports.

This is based on an estimated spring wheat crop of 265 million bushels — from intended plantings of 19.28 million acres at average yields, and the predicted 973 million bushels of winter wheat. With domestic uses about the same as this year, about 790 million bushels of the total 1,240 million crop production would go for this purpose. Exports in 1947-48 probably will again be large, but some increase in the carryover in 1948 is likely.

Wheat prices have been above parity since early May 1946, except for August, and they will probably remain high until the movement of the new winter crop becomes general.

Since 1920, prices received by farmers for wheat have been above parity in three different years, besides last year. In 1924, foreign demand for U.S. wheat increased as a result of a very small crop in Canada. In 1925, the U. S. crop was small; and in 1936, U. S. supplies were greatly reduced following two serious droughts. In World War I, the world supply was small, compared with demand, and prices in the U. S. rose considerably above parity. In World War II, supply as well as demand was very large.

BEST LIKED FARM PROGRAMS

A man who has directed and aired farm programs for 21 years is worth listening to.

Emerson Markham has done that for General Electric. In the March 14 Printers' Ink he says that their scripts often have in them the words service, usefulness, helpfulness, friendliness and cooperativeness. Those words indicate the approach they have made in their week-day, noon-time program and their Friday night broadcasts.

Once through a written survey he asked listeners three questions. One was about the type of speaker. The answer was that the "country-side" speakers . . . with their homely and philosophical outlook on life . . . were best liked of all. The second was the method of presentation that was most pleasing. Straight talks were up at the top . . . at the bottom of the list was dramatic presentation. The third question related to what the listeners wanted to hear about. The answer to that was that they like best the stories on research in new methods of doing things . . . second, the "how to do it" directions. Farmers evidently like their programs straight and informative.

MILK PRODUCTION MAY ESTABLISH NEW RECORD

Milk production per cow in 1947 is likely to establish a new record for the third consecutive year. In spite of a two percent decrease in the number of cows on farms, total milk production during the first quarter of 1947 exceeded the same period last year. Total milk production in 1947, however, is not likely to exceed the 119.7 billion lbs. produced in 1946 unless pasture conditions are unusually favorable.

Production of creamery butter in 1947 will be considerably higher than 1946. Compared with 1946, production in recent months has been nearly 40 percent up, but the margin is not likely to be maintained, particularly after mid-year. American cheese production probably will be larger in 1947 than in 1946. Production of non-fat dry milk now more than 20 percent over last year is likely to establish a new record. Exports of dairy products in 1947 are likely to exceed any prior peacetime year, but will be substantially less than exports during the war.

GILMER SPEAKS ON
GRAIN EXPORTS

that of a year ago.

Even with very heavy wheat and flour exports, indications are that this country will end the year June 30 with a carry-over of old wheat as large as and perhaps a little larger than

That's what Jesse B. Gilmer, Administrator of the Production and Marketing Administration, said recently at Dallas, Texas. And his forecast has since been bolstered by a USDA report estimating this year's carryover at about 100 million bushels.

During the 1945-46 marketing year, the U. S. exported 400 million bushels of food grains. And total grain shipments for the year 1946-47 are scheduled at around 500 million bushels -- mostly wheat, but including corn, oats, barley, and grain sorghums. This is more grain for human consumption than all the exporting countries of the world together shipped in any one year before 1946.

This is not too much grain to ship, Mr. Gilmer said. All essential domestic needs for grain have been and are being met. We have large supplies of corn, and present indications are that the 1947 wheat crop will set another all-time record. So the Government will make every effort to see that large volumes of grain are exported next year, as a protection to farmers against the danger of burdensome carryovers.

"The very stability of the world rests upon a strong America," Mr. Gilmer stated. "Nothing must be done to wreck our own markets or weaken our position. . . We shall continue to urge a high level of wheat production as long as the need continues. . . The goals for the year ahead may be put a little lower than the 56 million acres (of winter wheat) seeded last year, but there is no reason yet to assume that drastic reductions will be suggested."

REAL ESTATE MARKET VALUES
92 PERCENT ABOVE 1935-39

A further rise in prices and a continued high volume of farm sales characterized developments in the farm real estate market during the year ended March 1, 1947.

The rise in prices for the country as a whole was 12 percent, bringing average market values to a level 92 percent above the 1935-39 average. The U. S. index (1912-14= 100) was 159 on March 1, a rise of 5 percent from November 1, 1946. The upward trend in values was general except in the far West where values appear to have leveled off somewhat during the last 4 months.

* * *

---U. S. farmers produced so much corn last year that they not only broke their own record -- the world record too tumbled. Accounting for 60 percent of the world's corn production, the U. S. crop totaled 3,288 million bushels. This boosted world output of corn to 5,410 million bushels, 8 percent more than in 1945-46 and 13 percent more than the 1935-39 average.

* * *

(Agriculture in Action - Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H. & R.I.)

Radio Transcription
A. W. Manchester, Director
Northeast Region, Field Service Br. PMA
April 24, 1947 - 6:15 a.m.
Station WBZ - Boston, Mass.

Farmers Don't Act Like They Used To

Farmers don't seem to be reacting to farm prices the way a lot of folks thought they would.

The idea has been prevalent that 90 percent of parity prices for potatoes and eggs were going to result in greatly expanded production and disastrous surpluses.

Maybe they will, but they aren't doing it yet! Egg prices are averaging a little better than 90 percent of parity but it seems to be pretty well established by now that the number of pullets raised this year for next year's layers will be down. If we have egg surpluses, indications are that it will be because of sharply dropping consumption, not because production has gone up.

I am sure a good many people will raise a skeptical eyebrow over my statement that 90% of parity isn't overexpanding potato production. How about that 100 million bushels or so of excess potatoes last year? But that was the result of previously unheard-of yields. The acres planted to potatoes last year were the fewest in 25 years or more. The report of farmers' intentions for this year indicate a further cut of 12% in acreage.

Nor is the reduction wholly, or perhaps even mainly, the result of the government's acreage adjustment program. In most parts of the country, except the highly commercial potato sections, the reduction is far greater than is called for by goals.

The number of dairy cows in the country is still going down in the face of what seem high prices of milk and butter by comparison with the prices of former years. The number of beef cattle has been dropping since 1944 with beef steaks far up in the luxury classes and most of us on hamburger levels. Of course, high meat prices in themselves naturally tend to stimulate marketings and reduce numbers, so that the drop in beef cattle numbers has hardly the same significance as has a drop in dairy cow numbers or a cut in potato acreage.

I could add other illustrations of the fact that farm prices which would have stimulated production in the old days aren't stimulating it any more. Many of the reasons are obvious. The first is increased farm costs. Farm wages are three times what they were before the war. Equipment is way up. Fertilizer is rising. Building materials are prohibitive. Soaring feed prices are undoubtedly the principal cause of the drop in poultry raising. They exercise a strong depressing influence on milk production. Prices have to be good to keep production up in the face of such costs.

But there is, I believe, another major reason why farm production in these staple lines isn't "bursting out all over." It is "attractive alternative opportunities." When there isn't anything else to do, many farmers feel compelled to plant more in the effort to keep their financial heads above water. But when other opportunities are attractive, it takes pretty good prices to hold or expand production.

The point I am trying to make is that a good many of the prices paid to farmers for many of their crops and products are not high in comparison with their costs or their standards of fair income. This reluctance to expand without really good price prospects is just the natural response of the individual. He doesn't feel like producing something that he isn't likely to get fair pay for producing. His idea of fair pay is higher than it used to be. He isn't anxious to produce without that fair pay -- under today's conditions he doesn't have to.

April 30, 1947

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AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

HIGH FARM PRODUCTION
KEEPS PRICES DOWN,
SAYS SECRETARY ANDERSON

The farmers of the Nation are setting the kind of production pattern needed throughout our economy to bring price stability for both industrial and agricultural products, Secretary Clinton P. Anderson recently told the State Chamber of Commerce at Richmond, Va.

"By maintaining food production a third above prewar levels, the efforts of farmers have been directed at assuring plentiful supplies and holding food prices down," the Secretary said.

"The price support program helped to make this big production increase possible by assuring farmers that the prices of commodities for which wartime increases were requested would be supported when necessary for two years following the end of hostilities.

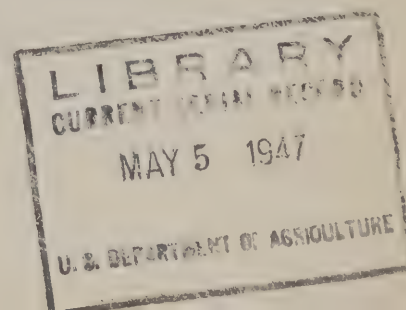
"Price support legislation . . . has . . . provided a program for consumer protection. Most of the expenditures of the Commodity Credit Corporation during the last few years have been for subsidies designed to hold consumer prices down and keep production up."

However, high purchasing power and unsatisfied demands for manufactured goods leave more consumer dollars for food and increase the pressure on food prices, Secretary Anderson pointed out.

Right now the prices of most agricultural commodities are well above the price support level, and the prices of these commodities are therefore not affected by the price-support program. But the Nation's rising price level, which is adding greatly to the Government's liability under the program, makes more important than ever the maintenance of a sound and stable economy.

FARMER FIELDMEN PLAN
ANNUAL CONFERENCE

Farmer fieldmen in the nine Northeast States plan to hold their annual conference this year at Salem, Massachusetts, on June 2, 3, and 4. Dave Davidson, Assistant PMA Administrator for Production, will attend the meeting. Program details will be announced later.



PMA STAFF OFFICIALS
ANNOUNCED

With the announcement of three key officials, the Department of Agriculture's Production and Marketing Administration is shaping up. Realignment of PMA administrative functions and operations was announced March 19.

The men appointed are Dave Davidson, Assistant Administrator for Production; Claudius B. Hodges, Deputy Assistant Administrator for Production; and Carl C. Farrington, Assistant Administrator for Commodity Credit Corporation. A third Assistant Administrator, for Marketing, is still to be announced.

As head of PMA production activities, Dave Davidson, who comes from Tulare County, California, will have responsibility for the agricultural conservation and adjustment programs, farm marketing quotas, farm labor supply, and other programs of PMA which involve direct dealings with farmers through State and county farmer-committees. Davidson was elected a county AAA committeeman in 1933, became a member of the California State AAA Committee in 1938, was appointed Director of the State Office in 1945, and came to Washington as Director of the Field Service Branch in the spring of 1946.

Hodges served as a food distribution administrator in the Texas State Office of USDA's former Office of Supply, and as Deputy Director of PMA's Field Service Branch. He is a native of Texas.

Farrington, from Oklahoma, has served successively with the Department's Bureau of Agricultural Economics, AAA, and CCC. He was appointed director of PMA's grain and cotton branches in August 1945, and Assistant Administrator in April 1946. In his new position, Farrington will be responsible for CCC operations and program finance activities related to loan, price support, foreign supply, and domestic diversion.

DRY MILK PROVES BOON A small test or "pilot" program being conducted in a few areas holds promise of getting health-building milk to thousands of youngsters who have had practically no milk since they left the cradle.

Under this program, non-fat, dry milk solids -- powdered milk to most of us -- are shipped from heavy dairy production areas for use in schools of deficit regions. The dry milk is reconstituted with water into liquid form right at the school, shortly before serving, and in general is being received very well by the children.

The program has been going on for some months in several New Mexico, Arkansas, and Louisiana schools, and arrangements have just been completed to provide reconstituted milk for some 2500 children in Texas during the rest of this school term.

If the project works out as well as expected, it can be important as an additional outlet for farm production, at the same time contributing greatly to the health of the Nation's growing children.

The dry milk would go to consumers who now get no milk at all and should not interfere at all with established fluid milk marketing.

ANDERSON OUTLINES LONG
RANGE FARM PROGRAM

Testifying before the House Committee on Agriculture regarding long-range agricultural policy and programs, Secretary Clinton P. Anderson outlined what he believes to be the one practical policy for American agriculture.

This would be a policy of organized, sustained, and realistic abundance. . . an opportunity to establish and maintain a balance between consumption and the sound capacity output of our agricultural plant. Such a program would not only serve the general welfare, but also the best interests of United States farm people.

Broad requirements of such a program would be:

1. Keeping our agriculture geared to developments in other segments of the economy, to the end that a high level of income and employment is maintained.
2. Helping maintain stability of prices at levels fair to both producers and consumers, through a long-range system of commodity price floors, modernization of the parity formula, and reduced costs of production.
3. An over-all land program to make sure we conserve and improve our agricultural resources.
4. Measures having to do with the welfare and rights of farm people -- good prices and income, public services and facilities, improved employment opportunities and tenure -- in short, the right of equal opportunity.
5. The learning and application of more and more knowledge -- intensified research in biological sciences; research and service program in marketing and distribution, in production technology, and in efforts to expand industrial uses of farm products.
6. A floor under consumption of farm products -- a surplus distribution program or perhaps some sort of food allotment program available at all times, flexible enough to meet both chronic and acute difficulties.
7. Action on the farm front to stabilize supplies from year to year and to meet changes in demand -- guideposts to indicate specific needs for production, acreage allotments and marketing quotas for the more difficult problems of shifting production, the ever-normal granary storage loans and marketing agreements to foster orderly marketing, special marketing programs in which food trades cooperate to move seasonal surpluses, international trade arrangement providing storage stocks and sales of excess supplies to needy countries at special prices.
8. Farm business aids and safeguards -- ample credit for farm and forest operators and their cooperatives, on suitable terms, sound development and use of cooperatives by farmers, extension of electric power to new areas, sound crop insurance.

"By continuing our advance toward a sound, permanent agriculture," the Secretary said, "we can supply what is needed for better living, expanding industry, and healthy world trade. Here is our opportunity to advance the cause of peace and prosperity for our own country and the world."

OF OUR PRACTICE OF "RIDING
THE BUSINESS CYCLE," THE COUNCIL
OF ECONOMIC ADVISERS ASKS, "WAS
THIS TRIP NECESSARY?"

The Council of Economic Advisers, Edwin G. Nourse,
Leon H. Keyserling, and John D. Clark, include
in their report to the President, a description
of "the Spartan Doctrine of Laissez Faire."

The following is an excerpt from their report
made in accordance with the Employment Act of 1946.

Early Thinking Highly Individualistic and Fatalistic

Early thinking about the general upswing and downswings of business were of a highly individualistic and essentially fatalistic character. Those who follow this line of thought -- and some still do -- accept the cycle as a result produced by causes deeply rooted in physical nature or in fundamental human behavior and following an intricate pattern of short-, medium-, and long-time swings. They do not claim that this pattern is precise as to timing or invariable as to magnitude, like the movement of the stars. But they do think in terms of essentially mechanical relationships rather than human institutions that can be modified by intelligent action in a republic, and human behavior that can be changed by wise leadership.

Cyclical Swings Due to Sunspots?

Now if the businessman becomes convinced that cyclical swings will inevitably recur in response to sunspots, weather cycles, or some deep alternating pulls or tides of human behavior, what is the practical consequence? His prime concern becomes that of perfecting a technique for discovering what this extraneous pattern is and of measuring his position and that of business in general with reference to the progress of prosperity or depression. Insofar as he admits the likelihood of some variation in the pattern, he becomes concerned in identifying signs of its probable timing and magnitude. His major objective of business management centers on trying to outguess the course of the business cycle.

Or Sheer Hunch?

Whatever the mixture of trained measurement, experienced interpretation or evaluation, and sheer hunch, the practical outcome of this approach to the problem of economic fluctuations is, in the main, that of conformity or indeed exaggeration, not one of corrective action. If a majority of businessmen become convinced that a business recession "is due" in a specified quarter of the following year, ordinary prudence dictates that they shall put their business house in order for the impending storm. They will curtail their commitments and revise their operating plans in general accord with the prediction of time and severity of the depression in which they have placed their faith. If the various predictors and those who look to them for guidance, progressively comparing notes, come to substantial agreement in picking the third quarter as the time, 20 percent the magnitude, and one year the probable duration of the decline, and if the majority of businessmen accept this counsel as their guide to action, it can be expected that they will make about the appropriate curtailment in operations and will emerge from the storm cellar at about the appropriate moment so that the prediction will in fact prove true. It will, indeed, become the engine of its own verification. The journey into the area of restricted production, unemployment, and low purchasing power will have been completed according to schedule or even accelerated. The question, however, might be asked: "Was this trip necessary?"

(Continued on page 5)

Ill Effects On the Upside, Too

Possible ill effects from stanch reliance on cycle theory and predictive techniques may be no less on the up side. If the business community in general becomes imbued with the idea that the economy as a whole is in a pronounced prosperity phase and that the upswing of this cycle is due to continue for 3 to 5, or whatever number of years, they are likely to make plans of expansion without due care as to the particular factors of demand and available capacity in their own industry or their own locality. They are likely to follow looser practices as to management and cost control or be less cautious as to inventory accumulation and credit commitments than they would be if looking at each situation strictly on its own merits and in the long-time perspective.

Some Believe Depression is a Wholesome Purgative for Business, Eliminating the Weak and Short-Sighted

This extreme type of business-cycle theory does not conceive the role of the business organizer and administrator as in any way different from that of the squirrel storing up nuts for the winter. It does not ask whether this individual protective action may, unlike an animal's instinctive conformity to the fixed cycle of the seasons, become itself a contributory cause of the drying up of business. These narrow-visioned individuals who do not consider what happens to the whole economic system when those who are less strongly entrenched to withstand a period of lean production (or less well equipped with advisers to foretell its coming and plan protective measures) are allowed to go to the wall. The real 100-percenters of this school of thought carry their fatalism one step further. They believe that depression is a wholesome purgative for business, eliminating those who are too weak or too short-sighted to be entitled to survive. Like the ancient Spartans, they believe in exposing the young and weak, no less than the strong, to the full force of nature, trusting that the strong will survive and only the weak will perish. They forget or deny that in a depression the strong and efficient also suffer. This type of economic behavior is complacently referred to as "riding the business cycle." Those who practice the art believe that they can -- "find as many advantages in depressions as in booms . . . Smart folks take advantage of the boom and are then ready for depression-time bargains. . . It is to be hoped that depressions are never abolished, for they have many desirable features."

In our modern economy, however, little recessions often develop into big depressions, once a setback causes contraction of purchasing power and markets. Efficient as well as inefficient businesses incur losses. Efficient workers as well as inefficient workers become unemployed, and the Nation as a whole suffers. Besides the human misery and the waste of productive resources implied, we wonder how often our social fabric can stand "cures" of the type prescribed by the Spartan school of thought.

The Pendulum

Changing our figure of speech, the business cycle is often likened to swings of a pendulum. It is said that, when it has gone to one side or the other of the equilibrium point a certain distance determined by mechanical laws, natural forces will check its deviation and turn it back. This may be measurably true as to the excesses of price inflation or deflation. A midpoint of stable values may be the object and the basis of a natural control process. But as to production and employment, such is definitely not the case. The greatest amount of employment attained at the peak of the boom (except the most extreme war boom) is quite within the desires of the workers to apply their energies toward the satisfaction of their wants. All the idleness and underconsumption which develops as business moves toward the midpoint and on to the bottom of the depression is net loss, not a true corrective movement.

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Employment Act Reflects Goal

So, too, the volume of production at the top does not represent excess, with the midpoint as the goal of our "stabilization" devices. It is prices and property values and credit extensions that are excessive and unstable at the top of the swing and that are artificially shrunken and carrying the potential of a rise when the bottom has been reached. We do not in a boom have an excessive physical volume of production or excess of employment (even though there may be a faulty distribution of it) that needs to be corrected by idleness and a reduction in total production -- with resultant want. The greatest danger of recent years has been that our economic institutions and our business practices would bring us to a more or less permanent equilibrium at a low or "stagnation" level. The Employment Act of 1946 reflects truly the proper goal of business stabilization in setting maximum production, maximum employment, and maximum purchasing power or scale of living as the kind of stability to which we are to apply our "plans, functions, and resources."

"GOOD IDEA FOR ALL 48
STATES TO OBSERVE
CONSERVATION WEEK"-
DAVE DAVIDSON

Other States will be watching New Hampshire this spring as 25 organizations and agencies in that State hold a series of conservation contests, meetings, and round tables, climaxing in a "Conservation Week" observance, June 1-7. Purpose of the Week and the activities preceding it, is to stress the close tie between good soils and good health.

"We're hoping this observance -- as well as similar ones which have been held in a few other States -- will help to show in a dramatic way that how well the soil feeds us depends very much upon how well we feed the soil," says Dave Davidson, PMA's Assistant Administrator for Production.

"I hope that similar events can be held in many States next year," he added. "In fact, I think it would be a good idea for citizens in all 48 States to get together and work up a National Conservation Week to stress the importance of conservation to good nutrition and better health."

Highlight of Conservation Week will be announcement of the New Hampshire farmer who is winner of a State-wide "Green Pastures" contest. Winner of the State prize will be chosen from among the county champions. Pastures will be judged according to the quantity of high-quality feed they provide over the normal pasture season of five months.

NATION PREPARED TO MEET
CONSERVATION NEEDS

"We are well prepared to meet our conservation needs," That is what Jesse B. Gilmer, Administrator of PMA, told representatives of the USDA and food processors and handlers in Dallas, Texas, recently. In support of this statement he said: "The national Agricultural Conservation Program, which is a continuation of the basic Triple A work you all know so well, reaches the great bulk of our producing farms. Carried out through the democratic farmer committee system, and fitted into the technical standards of the Soil Conservation Service, the State agricultural colleges and Experiment Stations, and other State and federal agencies, the Conservation Program is the farmers' own way to rebuild and protect our soil resources."

Radio Transcription

A. W. Manchester, Director

Northeast Region, Field Service Branch

Production & Marketing Adm., USDA

May 1, 1947 - 6:15 a.m.

Station WBZ - Boston, Mass.

Green Pastures

Anybody who gets a chance to ride through the country in the Northeast in the next week or two or three can, if he is alert and a little informed, take stock of a very significant development in agriculture that cannot be so easily noticed at any other time of year.

To see it you have to watch the pastures that you pass. It is still true that over the greater part of them, there is a pronounced yellow tinge in the green. Quite commonly, too, they are grayed over by millions of bluets.

But once in a while you come to one that is a dark, rich green and with very little foreign growth in the grass and clover. If you were to stop and examine it closely you would find that the grass makes up a dense mat instead of being the scattered and struggling spears of the other pastures.

These outstanding fields are the well fertilized pastures. A few years ago they were almost unknown. They have multiplied enough in the last few years under the conservation program so that they are no longer hard to find if you are on the lookout, but they still cover altogether too small a part of the total pasture area.

At first when the conservation program became available, farmers used the aid that it gave them almost entirely for the improvement of their croplands. But that is changing at an increasing rate. More and more they are building good pastures.

People used to say that they had pasturage enough already or if they didn't have enough that it was cheaper to buy more acres than to buy fertilizer.

Of course every farmer realizes now that adding acres of poor pasturage doesn't compete at all with building really good pasturage. It is commonly understood that the cow can't continue high production long on poor pastures however many acres she has. She can't mow enough grass with her teeth and tongue in the few hours a day she ought to graze. Nor does the grass on thin pastures stay really good for milk production much beyond the first of July.

There is no alternative to heavy and very expensive supplementary feeding for the farmer who has poor pastures if he wants to keep milk production good.

It is a pretty safe guess that in a few more years, if the conservation program continues, fertilized pastures will be the rule rather than the exception on progressive dairy farms in the northeastern states.

The science of fertilizing and managing pastures and equally the art of taking full advantage of them to keep up milk production and reduce grain bills are making rapid progress.

(Continued next page)

One of the biggest forward steps has come with the widespread introduction of Ladino clover. It yields the highest quality feed and much more of it. Best of all it grows pretty well in that tough late July and August period when most other pasture plants quit.

With Ladino, however, higher rates of fertilizing and liming are required. One reason why Ladino is such valuable feed is that it is high in minerals. Those minerals come from the soil and have to be replaced abundantly if Ladino is going to winter safely and give big yields. Lime, phosphorus and potash are all absolutely essential for Ladino but the biggest recent increases in applications are of potash. With Ladino, potash is a requirement on many soils where it was previously thought no potash was needed for forage crops beyond that furnished by the farm manures.

But it is in connection with the utilization of these better pastures that it appears to me that the biggest developments are likely to come in the next few years.

A few farmers are already making remarkable records -- records that a good many others are frankly incredulous of.

The men who are making the records for high milk production with little grain are, so far as I know them, men who are exceptionally keen in their observation of what is going on and exceptionally prompt in doing something about it when action is needed.

They all have their pastures divided into several fields -- graze one a few days and then move the animals to the next. The most successful are very careful not to be too late in moving the cows. They move them while the grazing is still good. And if the pasture needs to be mowed to furnish that new growth that is high in nutrients they mow it -- using the clippings for hay or silage if there is enough to make it worth while, or just letting it lie if there isn't.

In my thinking, the new pasture resources that are being developed in the Northeast, together with the better hay and silage that are coming fast, are laying a firm foundation for successful dairying in the area -- replacing the precarious industry that was based on feed shipped in from other sections.

It will take years of the conservation program to complete the transition. But it is on the way. You can see it in process and mark the farms where it is farthest advanced, if you will take a drive in the next few weeks and look at the pastures with seeing eyes.

* * *

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